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AGENDA ITEM #2871

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**WATER DIVISION
Water Branch**

**RESOLUTION NO. W-4433
October 30, 2003**

RESOLUTION

**(RES. W-4433), DEL ORO WATER COMPANY (DOWC).
ORDER AUTHORIZING INCREASE IN THE CHARGE FOR
BAD CHECK SERVICE, CHARGES FOR SERVICE
RECONNECTION, AND THE CHARGE FOR PAYMENT
COLLECTION BY UTILITY REPRESENTATIVES IN LIEU
OF SERVICE DISCONNECTION.**

SUMMARY

By Supplemental Advice Letter No. 120-A, filed on July 29, 2003, DOWC requests to: 1) Modify its Rule 9, Rendering and Payment of Bills, to increase its current charges for handling bad checks from \$4.75 to \$20.00, 2) Modify its Rule 11, Discontinuance and Restoration of Service, to increase reconnection charges from \$10.00 during regular working hours and \$15.00 at other than regular working hours to \$25.00 during regular working hours, and \$40.00 at other than regular working hours, and 3) To modify Rule 11 to increase the charge for payment collection by a utility representative in lieu of disconnection of service from \$5.00 to \$20.00. This resolution authorizes these increases.

BACKGROUND

DOWC is a Class B water company serving water to Country Estates, Ferndale, Johnson Park, Lime Saddle, Magalia, Paradise Districts, and one wholly owned subsidiary, Stirling Bluffs Corporation. The current charge for bad check service charges is \$4.75, established by Res. No. W-3940, dated December 1995. The current charges for reconnection charges are \$10.00 during regular working hours and \$15.00 at other than regular working hours, established by Res. No. W-3770, dated May 7, 1993. The current charge for payment collection by a utility

representative in lieu of service disconnection is \$5.00, established by Res. No. W-3221, dated December 19, 1984.

DISCUSSION

DOWC's current charge of \$4.75 for bad checks was established in 1995 pursuant to Res. W-3940 and is far below the bad check fee currently charged the utility by its bank. Information provided the Water Division (Division) by DOWC indicates that the utility's bank charges a bad check fee slightly in excess of \$20.00. In view of this, the Division believes that a \$20.00 bad check fee is reasonable.

Rule 11 allows water utilities to charge for reconnecting water service that has been disconnected due to nonpayment of water bills or violation of tariff rules. Each reconnection would take at least one hour when considering secretarial time, truck time/expenses, and field employee labor. In that the average hourly wage for field personnel is \$25.78, it is reasonable to charge \$25.00 during regular working hours, \$40.00 at other than regular working hours for reconnection charges.

Also, it is reasonable to charge \$20.00 for payment collection by a utility representative in lieu of service disconnection considering the current average hourly wage of \$25.78 for field personnel excluding supervisors, and not including the office staff time and truck time.

The current charges are inadequate and out of date, therefore, the Division recommends the following revised charges: \$20.00 for bad check service charges, \$25.00 during regular working hours, \$40.00 at other than regular working hours for reconnection charges, and a \$20.00 charge for payment collection by a utility representative in lieu of service disconnection.

The Division believes that the imposition of these charges will recover all or part of the additional cost from the customers who cause the additional costs. These charges should be booked as other utility revenues to benefit the ratepayers.

FINDINGS

1. A bad check service charge of \$20.00 is just and reasonable for any check or electronic fund transfer not honored by the bank.
2. A charge of \$25.00 for reconnection of service during regular working hours and \$40.00 for reconnection at other than regular working hours is just and reasonable.

3. A collection charge of \$20.00 is just and reasonable when a Del Oro Water Company's representative collects the payments in lieu of shutting off the service.

IT IS ORDERED that:

1. Del Oro Water Company is authorized to make effective revised Rule 9, Rendering and Payment of Bills, and Rule 11, Discontinuance and Restoration of Service, as filed in Supplemental Advice Letter 120-A, five days after the effective date herein and concurrently to cancel the presently effective tariff sheets.
2. This resolution is effective today.

I certify the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on October 30, 2003; the following Commissioners voting favorably thereon.

WILLIAM AHERN
Executive Director